

Before the
Tennessee Regulatory Authority
Nashville, Tennessee

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REGULATORY AUTH.
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CHIEF OF STAFF
EXECUTIVE SECRETARY
DOCKET NO. 00-00523

IN RE:

GENERIC DOCKET ADDRESSING
RURAL UNIVERSAL SERVICE

BRIEF OF THE RURAL INDEPENDENT COALITION

on behalf of

Ardmore Telephone Company, Inc.
Ben Lomand Rural Telephone Cooperative, Inc.
Bledsoe Telephone Cooperative
CenturyTel of Adamsville, Inc.
CenturyTel of Claiborne, Inc.
CenturyTel of Ooltewah-Collegedale, Inc.
Concord Telephone Exchange, Inc.
Crockett Telephone Company, Inc.
DeKalb Telephone Cooperative, Inc.
Highland Telephone Cooperative, Inc.
Humphreys County Telephone Company
Loretto Telephone Company, Inc.
North Central Telephone Cooperative, Inc.
Peoples Telephone Company
Tellico Telephone Company, Inc.
Tennessee Telephone Company
Twin Lakes Telephone Cooperative Corporation
United Telephone Company
West Tennessee Telephone Company, Inc.
Yorkville Telephone Cooperative

"The Coalition of Small LECs and Cooperatives"

January 24, 2001

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BRIEF OF THE RURAL INDEPENDENT COALITION

The Rural Independent Coalition (hereafter referred to as the “Coalition” or the “Independents”) respectfully files this Brief in response to the direction contained in the Notice of Filing issued by the Tennessee Regulatory Authority (“TRA” or “Authority”) on January 17, 2001 establishing January 24, 2001 as the deadline for the filing of replies to BellSouth’s Petition for Appeal (“Petition”) in the above-referenced proceeding. The Coalition membership is comprised of 20 Independent telephone companies and cooperatives which collectively provide approximately 314,000 access lines to customers who reside and work within the more rural areas of Tennessee.

BellSouth filed its Petition on January 16, 2001 to challenge the Initial Order in this proceeding. Among other things, the Initial Order found that the TRA has jurisdiction over the intrastate toll settlement arrangements between BellSouth and the Independents, that the existing arrangements were at least in part mandated by the TRA or its predecessor, and ordered that the terms and conditions of the arrangements set forth in the existing contracts, which form an important part of the Independents’ Universal Service cost recovery, remain in place until they are altered by order of the TRA. In its Petition, BellSouth seeks to overturn the requirement that the existing intrastate toll settlements arrangements remain in place by repeating the failed arguments that it presented to the Hearing Officer.¹ These arguments, however, are not relevant to the relief

¹ The Independents incorporate by reference their previous briefs regarding the scope of the

BellSouth seeks. Ultimately, BellSouth makes a very narrow request for relief –it seeks the ability to negotiate new toll settlements arrangements with the Independents.

The relief sought by BellSouth is unnecessary. The Initial Order permits BellSouth and the Independents to freely negotiate a new arrangement. The only limitation is that the negotiated arrangement would be subject to review and approval by the TRA. The Independents contend that this review and approval is really what BellSouth seeks to avoid. TRA oversight of BellSouth will help to ensure that the negotiated agreement is fair and equitable. Absent such review and approval, BellSouth likely will attempt, as it has in the past, to impose an arrangement of its own choosing upon the Independents.

The Independents have, with the knowledge and approval of the TRA, relied on the existing toll settlements arrangements as an important part of their Universal Service cost recovery. Without TRA oversight, BellSouth could potentially refuse to pay any settlements unless the Independents agree to whatever terms BellSouth demands. The duress of losing such a large part of their Universal Service cost recovery leaves the Independents with no bargaining power. Further, the settlement terms that BellSouth would seek to impose would likely not be sufficient to ensure that the Independents continue to receive adequate Universal Service cost recovery. The Independents' experience with attempting to negotiate revised settlement arrangements with BellSouth prior to BellSouth's unilateral termination of the previously existing settlements contracts proves the point. Thus, the long term effect of what BellSouth desires is to harm, if not

TRA's jurisdiction over toll settlements arrangements between BellSouth and the Independents. These briefs are already a part of the record in this proceeding.

to destroy, Universal Service to Tennesseans who live in the rural areas served by the Independents.

The Independents are ready and willing to negotiate with BellSouth in an effort to reach mutually agreeable settlements arrangements and to present them to the TRA for approval in the context of the larger overhaul of the rural Universal Service mechanism in Tennessee. The Independents simply do not want BellSouth to be holding the proverbial gun to their heads during the negotiation. Grant of the Petition will allow BellSouth to do just that, while denial of the Petition will not in any way alter BellSouth's ability to negotiate with the Independents.

Respectfully submitted,

**The Tennessee Rural Independent
Telephone Company Coalition**

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January 24, 2001

CERTIFICATE OF SERVICE

I, Teresa Rhea, of Kraskin , Lesse & Cosson, LLP, 2120 L Street, NW, Suite 520, Washington, DC 20037, do hereby certify that a copy of the foregoing "Brief of the Rural Independent Coalition " was served on this 24th day of January 2001, Via Facsimile, to the following parties:



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